

Message Text

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ACTION EB-07

INFO OCT-01 ARA-10 EA-10 ISO-00 SP-02 AID-05 NSC-05

CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 COME-00

DOT-00 CIAE-00 DODE-00 INR-07 NSAE-00 PA-02 USIA-15

PRS-01 L-03 H-02 IGA-01 /094 W
----- 011896

R 211620Z JUL 75

FM AMEMBASSY BRIDGETOWN

TO SECSTATE WASHDC 9239

INFO AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

AMEMBASSY PORT OF SPAIN

AMEMBASSY SANTO DOMINGO

AMEMBASSY TOKYO

UNCLAS BRIDGETOWN 1251

E.O. 11652: N/A

TAGS: EAID BB

SUBJ: CDB: BOARD OF DIRECTORS MEETING

1. CDB BOARD OF DIRECTORS MET JULY 17 & 18 AND DISCUSSED
PENDING CONTRIBUTIONS TO BANK BY VENEZUELA AND JAPAN AS WELL
AS APPROVING US\$1 MILLION IN NEW OR ADDITIONAL LOAN FUNDS,
INCLUDING ALMOST \$600,000 IN SUPPLEMENTARY FUNDS FOR DOMINICA
DEEP WATER PORT.

2. B/D CONSIDERED NEW GOV DOCUMENT RE US\$25 MILLION TRUST
FUND PROPOSED OVER YEAR AGO AT 1974 BOARD OF GOVERNORS'
MEETING. CONCLUSION WAS THAT VENEZUELAN MONEY, WHICH IS FOR
25 YEARS AT 8 PERCENT, IS BEING LOANED UNDER REASONABLY
GENEROUS TERMS WITH FEW RESTRICTIONS ON PROCUREMENT. GOV PROVIDED
NEW LOAN PAPER ON FUND (COPY POUCHED TO AID/W). DIRECTORS ARE
TO CONTACT HOME GOVERNMENTS AND REPLY TO BANK BY AUG 15 IN
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ORDER TO ENABLE DEMAS SIGN LOAN AGREEMENT IN VENEZUELA IN

LATTER PART OF AUGUST. BANK OFFICIALS AND BXD SEE NO PROBLEMS AND ANTICIPATE APPROVAL AS SCHEDULED.

3. POSSIBLE US\$7 MILLION FROM JAPANESE EXPORT-IMPORT BANK PROVED TO BE MORE TROUBLESOME. B/D VIEWED JAPANESE PROPOSAL AS ALLOWING JAPANESE FIRMS TO COMPETE FOR US\$100 MILLION OF PROCUREMENT WITH RELATIVELY SMALL CONTRIBUTION. B/D AGREED TO HAVE DEMAS DISCUSS WITH JAPANESE IDEA OF EXTENDING CREDIT ON IDB FORMULA I.E. JAPAN WOULD BE ALLOWED TO BID ON PROCUREMENT AT A RATE EQUIVALENT TO THE DRAW-DOWN RATE ON THE LOAN AND TOTAL AMOUNT OF PROCUREMENT FOR JAPAN WOULD NOT EXCEED TOTAL AMOUNT OF LOAN. B/D DEFERRED FURTHER ACTION ON JAPANESE LOAN UNTIL ITS NEXT MEETING IN OCTOBER BY WHICH TIME DEMAS SHOULD HAVE BEEN ABLE TO CLARIFY MATTER FURTHER WITH GOJ.

4.& LOAN APPROVAL: PRINCIPAL ACTION ON NEW LOAN APPROVALS WAS \$600,000 ADD-ON FOR DOMINICA PORT PROJECT. THIS WAS NECESSITATED BECAUSE PILINGS REQUIRED FOR PORT MUST BE SOME 20 FEET LONGER THAN ORIGINALLY ESTIMATED. OTHER LOANS APPROVED AS FOLLOWS:

- A) FEEDER ROADS, DOMINICA-US\$174,307;
- B) SMALL INDUSTRY CREDIT, ST LUCIA-US\$23,250;
- C) URBAN WORKING CLASS HOUSING, ST VINCENT-US\$13,988;
- D) HIGHWAY BRIDGES, ST LUCIA-US\$158,564.

5. GOV HAS APPARENTLY SOFTENED CONSIDERABLY ITS ORIGINAL TERMS TYING PROCUREMENT FOR TRUST FUND TO LATIN AMERICAN SOURCES. IF AGREEMENT IS SIGNED, TOTAL OF US\$35 MILLION WILL MAKE GOV CDB'S LARGEST DONOR. (ALTHOUGH PROPOSED US AGRICULTURAL LOAN WHEN APPROVED WOULD PUT US BACK INTO TOP POSITION.)

6. BOTH BRITISH AND CANADIANS HELD VIEW THAT JAPANESE WERE EXPECTING TOO MUCH CDB ACTION FOR TOO LITTLE A PRICE. CDB WOULD HOPE TO OBTAIN TERMS FROM GOJ AT LEAST AS FAVORABLE AS THOSE EXTENDED BDZN ITS RECENTLY APPROVED LOAN.

7. B/D ALSO TIGHTENED UP ON CDB PRESIDENT'S AUTHORITY TO ENSURE THAT B/D WILL REMAIN ULTIMATE DECISION-MAKING BODY FOR ALL NEW LOANS.

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SIMMS

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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
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